

Expenditures are handled differently depending on whether the expenditures are for the instruction function or for other services functions. Expenditures for instruction must be classified by goal. Expenditures for other services may be classified by goal if they are directly identifiable with a goal. Otherwise, they are recorded in the undistributed goal. Certain support service functions in the undistributed goal may be allocated to other goals based on allocation factors.

Example 1: Expenditure Directly Charged to a Goal

Salary is paid for an adult education math teacher at a high school. The school has elected not to track expenditures by subject matter. The salary will be coded as follows:

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	11	3910	0	4110	1000	1100	456
Cr	11	3910	0	0000	0000	9110	000

- Fund 11 is the Adult Education Fund.
- Resource 3910 is Priority 1–3: Adult Basic Education.
- Project Year is not applicable in this example.
- Goal 4110 is Regular Education Adult; goal is not required for balance sheet accounts.
- Function 1000 is Instruction; function is not required for balance sheet accounts.
- Object 1100 is Teachers' Salaries, and Object 9110 is Cash in County Treasury.
- School 456 is Sample High School. Coding to the School field is not required; however, LEAs may wish to code expenditures for local information.

Example 2: Expenditures Charged to More Than One Goal from Goal 0000, Undistributed

A director of curriculum for a school district is responsible for the district's curriculum development and implementation for K–12, alternative schools, and bilingual education goals. The position is funded with unrestricted revenues. Because this expenditure cannot be directly identified to a goal, it is coded as follows:

(a) To record payment of the director's salary:

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	0000	2100	1300	000
Cr	01	0000	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed; goal is not required in balance sheet accounts.
- Function 2100 is Supervision of Instruction; function is not required for balance sheet accounts.
- Object 1300 is Certificated Supervisors and Administrators' Salaries, and Object 9110 is Cash in County Treasury.
- School is not required.

202—Expenditures

- (b) The district may distribute the costs accumulated in the Goal 0000, Undistributed, by function to the other goals as follows:

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	1100	2100	7370	000
Dr	01	0000	0	4760	2100	7370	000
Dr	01	0000	0	3100	2100	7370	000
Cr	01	0000	0	0000	2100	7370	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education K–12; Goal 4760 is Bilingual; Goal 3100 is Alternative Schools; and Goal 0000 is Undistributed.
- Function 2100 is Supervision of Instruction.
- Object 7370 is Transfers of Direct Support Costs.
- School is not required.

Example 3: Expenditures Charged Between Funds

A gardener is responsible for maintaining the yards at four high school sites and two adult education centers in the district. This expenditure will be paid with unrestricted general fund sources and adult education fund sources. The monthly salary would be coded as follows:

- (a) To record payment of the gardener's salary:

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	0000	8100	2200	000
Cr	01	0000	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed; goal is not required in balance sheet accounts.
- Function 8100 is Plant Maintenance and Operations; function is not required for balance sheet accounts.
- Object 2200 is Classified Support Salaries, and Object 9110 is Cash in County Treasury.
- School is not required.

- (b) To record transfer of direct support costs from the General Fund:

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	0000	0000	9310	000
Cr	01	0000	0	0000	8100	7380	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed; goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts, and Function 8100 is Plant Maintenance and Operations.
- Object 9310 is Due from Other Funds, and Object 7380 is Transfers of Direct Support Costs - Interfund.
- School is not required.

(c) To record transfer of direct support costs to the Adult Education Fund:

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	11	0000	0	0000	8100	7380	000
Cr	11	0000	0	0000	0000	9610	000

- Fund 11 is the Adult Education Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed; goal is not required for balance sheet accounts.
- Function 8100 is Plant Maintenance and Operations; functions are not required for balance sheet accounts.
- Object 7380 is Transfers of Direct Support Costs - Interfund, and Object 9610 is Due to Other Funds.
- School is not required.

Example 4: Charge of Approved Indirect Cost Rate to a Federal Resource

Typically, a county office or LEA will charge federal or state programs either the allowed indirect cost rate or their CDE-approved indirect cost rate, whichever is lower. Indirect costs consist of those business and administrative costs that benefit the entire LEA, such as accounting, budgeting, personnel, purchasing, and undistributed data processing. An LEA's approved indirect cost rate is based on a specific formula approved annually by CDE. Transfers of indirect cost charges are always charged to Function 7200, Other General Administration.

In the following example, the LEA charges its categoricals the CDE-approved indirect cost rate.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	3010	0	1110	7200	7310	000
Cr	01	3010	0	0000	0000	9110	000
Dr	01	3310	0	5001	7200	7310	000
Cr	01	3310	0	0000	0000	9110	000
Dr	01	3710	0	3550	7200	7310	000
Cr	01	3710	0	0000	0000	9110	000
Dr	01	0000	0	0000	0000	9110	000
Cr	01	0000	0	0000	7200	7310	000

- Fund 01 is the General Fund.
- Resource 3010 is NCLB: Title I Basic Grants Low Income and Neglected; Resource 3310 is Special Ed: IDEA Basic Local Assistance; Resource 3710 is NCLB: Drug-Free Schools; and Resource 0000 is Unrestricted Resources.
- Project Year is not required in this example.
- Goal 1110 is Regular Education, K-12; Goal 5001 is Special Education—Unspecified; Goal 3550 is Community Day Schools.
- Function 7200 is Other General Administration.
- Object 7310 is Transfers of Indirect Costs.
- School is not required.

202—Expenditures

Example 5: Documentation of Direct Costs Transferred Between Functions

Many LEAs collect costs in a “cost pool” and then transfer out costs on the basis of documentation. For example, the costs of a centralized copy center may be accumulated in a cost pool and then transferred as a direct cost to benefiting programs. The transfer from cost pool to direct cost usually requires a change in function from that of the copy center to that of the service provided by the user program.

- (a) Initially, all the costs of the copy center may be collected in Function 7550, Printing, Publishing, and Duplicating, and Resource 0000, Unrestricted Resources. These costs include salaries, benefits, supplies, services, and capital outlay.

<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
01	0000	0	0000	7550	2400	000
01	0000	0	0000	7550	4300	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed because the centralized copy center serves various programs.
- Function 7550 is Printing, Publishing, and Duplicating.
- Object 2400 is Clerical, Technical, and Office Staff Salaries, and Object 4300 is Materials and Supplies.
- School is not required.

- (b) Photocopies are made for a teacher in a GATE program, and the per copy cost is charged to the GATE resource.

	<u>Fund</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	7140	0	1110	1000	5710	000
Cr	01	7140	0	0000	0000	9110	000
Dr	01	0000	0	0000	0000	9110	000
Cr	01	0000	0	0000	7550	5710	000

- Fund 01 is the General Fund.
- Resource 7140, Gifted and Talented Education, is charged with the cost of the copies. Resource 0000, Unrestricted Resources, is the source of these costs.
- Project Year is not applicable in this example.
- Goal 1100, Regular Education, is debited for the cost of the copies.
- Function 7550, Printing, Publishing, and Duplicating, is reduced, and Function 1000, Instruction, is charged with the cost.
- Object 5710 is Transfers of Direct Costs, and Object 9110 is Cash in County Treasury.
- School is not required.